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UNCLAS SECTION 01 OF 03 MOSCOW 003348

SIPDIS

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DEPARTMENT ALSO FOR OES/OA, OES/OMC, EUR/PGI, AND EUR/RUS
USDA FAS FOR OCRA/FLEMINGS; OSTA/MACKE; OGA/CHAUDHRY
BRUSSELS PASS NOAA VRIGNAUD
COMMERCE PASS NOAA, PASS TO NMFS AND F&WS/KOHL

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TAGS: [SENV](#) [PGOV](#) [SOCI](#) [RS](#) [EAGR](#)
SUBJECT: ROE WOES: RUSSIAN CAVIAR ON THE ROPES

REF: A) 06 MOSCOW 11310
B) 05 MOSCOW 8539

MOSCOW 00003348 001.2 OF 003

¶1. (SBU) SUMMARY. A two-year moratorium on Russian sturgeon fishing in the Caspian Sea has slowed, but not stopped, the thriving black market in Beluga caviar. World Wildlife Federation's Moscow Director contends that "not one egg" of black caviar sold in Moscow is legal: that is, from farm-raised fish or the byproduct of scientific catches. WWF predicts that all sturgeon stocks in the Caspian will be wiped out in 15 years. Astrakhan Oblast officials admit that over-fishing has brought about a collapse of supply, but they argue that the illegal trafficking is finally being curbed and that extensive restocking efforts hold great promise -- albeit a prospect measured in decades. END SUMMARY.

¶2. (U) Walk into almost any "produkti" (grocery) store or supermarket in Moscow or St. Petersburg, and you can find Beluga caviar for sale. Containers of 27 grams are priced at about 7,000 rubles (roughly \$280). Most restaurants here also routinely include Beluga caviar as a menu item, albeit a pricey one. This ready availability contrasts with a moratorium, in place since 2005, on commercial fishing quotas in Astrakhan Oblast, which includes the delta of the Volga River as it flows into the Caspian Sea. For decades, Astrakhan provided the bulk of Russia's sturgeon and sturgeon caviar. But that era of plenty is long over.

Illegal Cornucopia

¶3. (SBU) World Wildlife Fund's Moscow Director Igor Chestin told EST recently that, despite the seeming abundance of Beluga in Moscow, "not one egg" of it is legal. Any legal production of Beluga is being exported, he contended, because the price it can collect overseas is significantly higher than Moscow norms. According to current regulations, only caviar which is the byproduct of scientific catches or which has been farm-raised can be legally sold. Until recently, caviar which has been confiscated from poachers could also be sold -- but that loophole has tightened considerably. Astrakhan oblast officials have insisted that confiscated caviar be destroyed, because of contamination concerns.

¶4. (SBU) Wild sturgeon caviar from the Caspian Sea was also subjected to a 12-month ban by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The general

prohibition was lifted in January 2007, with a small quota for beluga announced in May, but its implementation remains controversial. Critics argued that, paradoxically, the ban simply bolstered the black market trade in Beluga because it caused prices to shoot upward. Chestin agreed, noting that enforcement of the fishing moratorium was already weak but became even weaker when poachers became more determined. Chestin was cynical about the prospects of changing the situation. Astrakhan and its Caspian neighbors such as the Republic of Dagestan are severely economically depressed, he said. Their residents have few alternatives to sturgeon poaching. Chestin predicted that the entire stock of Caspian sturgeon would be wiped out within 15 years.

15. (U) Astrakhan officials seem to recognize that the situation is serious. In a May 10 press interview, Governor Zhilkin contended that a concept of "total struggle against poaching" has been adopted at the federal level, on instructions from President Putin. Zhilkin said that a new law on intensifying the fight against poaching should help. Zhilkin contended that only Aeroflot is purchasing caviar through official channels. In all other places such as stores and restaurants, he noted cryptically, "I do not know the source of supply." Zhilkin said that the oblast has shifted its focus to sturgeon reproduction, and that it hopes to restore the entire sturgeon stock in the Russian part of the Caspian Sea within 10 years.

View from Astrakhan

16. (SBU) EST recently visited Astrakhan, and met with officials from the Caspian Scientific Research Institute for Fisheries and Oceanography, including Institute Director Gennadiy Sudakov. Sergey Shiyani, head of the Federal Service for Northern Caspian Fisheries, was also present. Sudakov claimed that Russia provides the majority of sturgeon stock in the Caspian, and emphasized the importance of the ten reproduction centers -- hatcheries and breeding farms -- now

MOSCOW 00003348 002.2 OF 003

actively operating on the Volga River, including a large one built into a dam in Volgograd. He said the government plans to build a new one on the shore of the Caspian Sea. These reproduction centers, first established in the 1950's, were originally intended to counter the effects of hydroelectric dams and transportation canals on the Volga, he said.

17. (SBU) Sudakov conceded that over-fishing of sturgeon has brought about a collapse of supply. He claimed that the ban on commercial fishing of sturgeon was a voluntary agreement between industry, scientists and government authorities to address the situation. He noted that the problem is compounded by the life cycle of sturgeon, which take 18-24 years to mature. This means that any attempt to restock the Caspian would require two decades. Still, he was optimistic, contending that the current population has a healthy population of young fish, and that this would lead to an eventual recovery. "We work for the future," Shiyani asserted in agreement.

18. (U) Artificial restocking attempts are expensive and have had mixed results so far. The oblast last year released 55 million very young sturgeon into the sea, but they were quickly eaten by predators. Older sturgeon, between one and five kilograms, should be hardier -- not least because they already have spines. As an experiment, Sudakov said his institute will release 1,000 of these fish to see if they are able to survive. They will track them with radio implants and tags. Half the fish will be released in the river, the other half in the sea to provide a comparison of the results. However, some scientists argue that these older farm-raised fish may not be able to catch the larger amounts of natural food needed to survive.

19. (U) Sudakov showed EST a documentary film featuring some of the institute's specialized equipment and techniques. He was particularly proud of methods to remove caviar without killing the mother fish. These included a "drill hole and milk" technique, and a "surgical cut and stitch."

Breeding Sturgeon

¶10. (U) Shiyan escorted us to the Lebyazhye Fish Reproduction Enterprise, billed by its director, Lyudmilla Popova, as the largest sturgeon breeding facility in the world. The facility has 145 full-time employees and a steady supply of students from Astrakhan State University, as well as exchange students from overseas. (NOTE: Popova said American students would be welcome. END NOTE) We watched lab workers inject a half dozen large-sized male fish with hormones in preparation for breeding. We also saw tanks where older fish (more than five years) are being raised to be used, eventually, for breed stock (as opposed to capturing from the wild). We toured the field where the 30 summer ponds are located.

¶11. (SBU) Along the way, Popova gave us a sturgeon tutorial. She said the facility has 220 females which are kept there. Males are captured in the wild, although they hope in future to have a male stock in the hatchery. She noted that it is difficult to determine the sex of sturgeon when they are young. Security is tight (guards, fences, locked buildings) at the section of the facility where the valuable adult fish are kept. Security is deemed unnecessary at the summer ponds. In these ponds, some 150,000 fry are put in each one. The results are considered worthwhile if they have 100-120 fish at the end of the summer. Birds are not a problem, and no covering nets are needed, Popova said, because sturgeon are bottom feeders.

¶12. (SBU) During a break over tea, Shiyan expounded on the topic. He said some sturgeon species do well in captivity (Beluga, Ossetra); some do not (Sevruga). He expressed interest in U.S. scientific exchanges in this sphere of research. Shiyan suggested that all illegal caviar for sale in Moscow is from the Far East, but contended that Russian authorities have finally put a stop to most of the trafficking. He asserted that the situation in Astrakhan has been brought under control. (NOTE: Indeed, there was almost no caviar for sale in the city. The official stores that had been open two years ago (REF B) were closed. An upscale supermarket had a half dozen very small jars priced at close to 3,000 rubles (about \$120). The fish market had a limited number of tins of black caviar mixed with other types of roe. We bought several small jars at 270 rubles (less than \$12) each, and we were given what they assured us was legal documentation. At the airport, however, security guards told us the fish market was not authorized to sell caviar. Still,

MOSCOW 00003348 003.2 OF 003

they let us keep our purchase. END NOTE)

¶13. (SBU) At the Fisheries Agency in Moscow, we pressed Aleksandr Okhanov, head of the Aquatic Bioresources and Fisheries Management Department, on the sources of caviar being sold in Moscow. He claimed he could not say, then suggested, winking, that we should ask the Interior Ministry -- the clear implication being that much of it is illegal. Okhanov reiterated that the Russian Government forbids all commercial sturgeon fishing and that the only permitted catches are for scientific research and for reproduction efforts. He contended that Russia follows sound scientific principles and adheres to all international conservation standards. He noted that CITES had lifted the ban because the five-nation Caspian Sea Commission had reached agreement on reducing catches and monitoring stocks. Turkmenistan is a member of the commission but not of CITES, he said, therefore Russia shares its quota with them. As an aside, Okhanov commented that, within the Commission, Iran has been "difficult."

Comment

¶14. (SBU) Given the severe depletion of sturgeon stocks -- by most estimates, a devastating 90 percent drop in annual catches from 1995 to 2005, when the moratorium was imposed -- Russian authorities have much ground to recover. They also face a daunting challenge in curtailing the black market. Still, Astrakhan authorities appear resolute in this struggle, and are convinced they have the central government's support to eliminate poaching. With proper law enforcement, the focus will shift to sturgeon reproduction efforts. The measure of those efforts is necessarily long-term, but Russia's strong scientific tradition should tilt the odds in favor of

success.

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